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REAL ESTATE SETTLEMENT PROCEDURES

Notice of Proposed Rulemaking

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Secretary

[24 CFR Part 82]

[Docket No. R-75-318]

REAL ESTATE SETTLEMENT PROCEDURES

Notice of Proposed Rulemaking

The Real Estate Settlement Procedures Act of 1974 requires the advance disclosure of settlement costs and the use of a uniform settlement statement in all transactions which involve federally related mortgage loans, the disclosure of the previous selling price of existing real property and it prohibits kickbacks and unearned fees, requirements by sellers that buyers purchase title insurance from any particular title company and fees for preparation of truth-in-lending and uniform settlement statements. The effective date of the Act is June 20, 1975. The Act directs the Secretary of Housing and Urban Development to develop and prescribe the uniform settlement statement and advance disclosure of settlement costs and authorizes him to prescribe regulations relating to advance disclosure of settlement costs.

Notice is hereby given that the Secretary proposes to amend Subtitle A of Title 24 of the Code of Federal Regulations by adding a new Part 82 to implement section 4 and section 6 of the Real Estate Settlement Procedures Act of 1974.

The Federal Reserve Board will soon publish separately in the FEDERAL REGISTER for comment, the Truth-in-Lending portion of the Uniform Disclosure/Settlement Statement.

Interested persons are invited to participate in this proposed rulemaking by submitting written data, views and arguments with respect to this proposal. Communications should be identified by the above docket number and title, and should be filed with the Rules Docket Clerk, Office of General Counsel, Room 10245, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, D.C. 20410. All relevant material received on or before March 20, 1975, will be considered before adoption of the final rule. Copies of comments submitted will be available for public inspection during normal business hours at the above address.

In consideration of the foregoing, and pursuant to the authority contained in section 4 and section 6 of the Real Estate Settlement Procedures Act of 1974, it is proposed to amend Subtitle A of Title 24 of the code of Federal Regulations by adding a new Part 82, as set forth below.

1. A new Part 82 is added to 24 CFR Subtitle A as set forth below.

PART 82—REAL ESTATE SETTLEMENT PROCEDURES

Sec.
82.1 Definitions.
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AUTHORITY: Pub. L. 93-533.

§ 82.1 Definitions.

As used in this part the following terms shall have the meaning indicated:

(a) "Federally related mortgage loan" means any loan which—

(1) Is secured by residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from one to four families; and

(2) (i) Is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is regulated by any agency of the Federal Government; or

(ii) Is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary or a housing or related program administered by any other such officer or agency; or

(iii) Is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

(iv) Is made in whole or in part by any "creditor", as defined in section 103(f) of the Consumer Credit Protection Act (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year;

(b) "Loan Commitment" means any agreement of a lender to make a federally related mortgage loan or any statement made by a lender, directly or indirectly, to a prospective borrower expressing its intention and willingness to make such a loan.

(c) "Services in connection with settlement" includes, but is not limited to the following: title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, pest and fungus inspections, services rendered by a real estate agent or broker, and the handling of the processing, and closing or settlement;

(d) "Borrower" means any individual, corporation, association, partnership or trust receiving a federally related mortgage loan in connection with the purchase of real property or for any other purpose.

§ 82.2 Uniform Disclosure/Settlement Statement.

The Uniform Disclosure/Settlement Statement which appears in the Appendix to this part shall be used as the form for advance disclosure of settlement costs and the standard real estate settlement form in all transactions in the United States in which a lender makes or agrees to make a federally related mortgage loan.

§ 82.3 Advance disclosure of settlement costs.

(a) Any lender agreeing to make a federally related mortgage loan shall provide or cause to be provided to the prospective borrower, to the prospective seller, if any, and to any officer or agency of the Federal Government proposing to insure, guarantee, supplement, or assist such loan, an itemized disclosure of each charge arising in connection with the settlement.

(b) The disclosure shall be made on the Uniform Disclosure/Settlement Statement.

(c) The disclosure shall be made at the time of loan commitment, but in no case later than 12 calendar days prior to settlement.

(d) For the purposes of complying with this section it shall be the duty of the lender to obtain from persons who provide or will provide services in connection with the settlement the amount of each charge they intend to make. In the event the exact amount of any such charge is not available, a good faith estimate of such charge may be provided. In such case the disclosure shall indicate those items which are an estimate of the charges to be made.

(e) The lender shall retain in its files for 1 year from the date of settlement a copy of the advance disclosure, executed and dated on the date of disclosure by the prospective borrower, the prospective seller, if any, and the lender. Such copy shall be made available for inspection and reproduction by the parties identified in paragraph (a) of this section.

(f) The officer or agency of the Federal Government proposing to insure, guarantee, supplement, or assist the loan may determine the time and manner of delivery of the advance disclosure to such officer or agency.

(g) The advance disclosure made pursuant to this section may be used in satisfaction of the requirements of section 121(c) of the Consumer Credit Protection Act insofar as it applies to federally related mortgage loans.

§ 82.4 Waiver of advance disclosure.

A borrower or seller may waive the requirement that advance disclosure of settlement costs be provided at least 12 calendar days prior to settlement when:

(a) Settlement occurs, with the consent of the borrower and the seller, not more than 18 days after the lender receives the application for the loan, and

(b) On the date either party is notified of the loan commitment the Uni-

form Disclosure/Settlement Statement is delivered to the party waiving the requirement or such statement is available for delivery to such party at the office at which the application for the loan was made, and

(c) The party waiving the requirement receives the Uniform Disclosure/Settlement Statement at least 3 days prior to settlement, and

(d) The party waiving the requirement and the lender execute, on the date of settlement, a waiver in the following form:

WAIVER OF RIGHTS TO RECEIVE ADVANCE SETTLEMENT DISCLOSURES

Identification of Transaction:

Buyers (borrowers):_____
Sellers: _____
Property: _____
Loan amount:_____
Lender: _____
Date of settlement:_____

I/We hereby acknowledge and affirm that I/we know that the Real Estate Settlement Procedures Act of 1974 entitles me/us to advance itemized disclosure in writing of each charge arising in connection with the captioned settlement at the time of loan commitment, but in no case later than 12 calendar days prior to settlement, and that if the lender fails to provide such disclosure I/we may recover from it at least $500 plus reasonable attorneys fees.

Notwithstanding the above I/we hereby waive the right to receive such disclosure 12 days prior to settlement and I/we further certify that:

1. Application for this loan was made not more than 18 days prior to this date and I/we have consented to settlement on this date.

2. I/we received the Uniform Disclosure/Settlement Statement on the date the lender notified me of the loan commitment or the lender notified me that such statement was available for delivery to me/us on such date.

3. I/we received the Uniform Disclosure/Settlement Statement at least 3 days prior to this date.

The lender joins in the execution of this waiver for the purpose of affirming to the best of its knowledge the truthfulness of the above statements.

Executed this_____day of_____, 197___.

Witness

_____ _____
Buyer (Borrower)

_____ _____
Seller

_____ _____
Lender

§ 82.5 Delivery of disclosure.

The provisions of paragraph (c) of § 82.3 and paragraph (b) of § 82.4 shall be deemed to be satisfied by delivery of the disclosure to the party entitled to its receipt or by mailing the disclosure to such party at his last known address at least 3 days prior to the time specified in such paragraphs.

§ 82.6 Relation to State laws.

These regulations do not annul, alter, or affect, or exempt any person from complying with the laws of any State with respect to settlement practices, except to the extent that those laws are inconsistent with any provision of the regulations. A State law shall not be determined inconsistent with these regulations if such State law gives greater protection to the consumer than the provisions of the regulations.

§ 82.7 Disclosure of previous selling price of existing real property.

Section 7 of the Real Estate Settlement Procedures Act of 1974 provides:

Section 7.(a) No lender shall make any commitment for a federally related mortgage loan on a residence on which construction has been completed more than twelve months prior to the date of such commitment unless it has confirmed that the following information has been disclosed in writing by the seller or his agent to the buyer—

(1) The name and address of the present owner of the property being sold;

(2) The date the property was acquired by the present owner (the year only if the property was acquired more than 2 years previously); and

(3) If the seller has not owned the property for at least 2 years prior to the date of the loan application and has not used the property as a place of residence, the date and purchase price of the last arm's length transfer of the property, a list of any subsequent improvements made to the property (excluding maintenance repairs) and the cost of such improvements.

(b) The obligations imposed upon a lender by this section shall be deemed satisfied and a commitment for a federally related mortgage loan may thereafter be made if the lender receives a copy of the written statement provided by the seller to the buyer supplying the information required by subsection (a).

(c) Whoever knowingly and willfully provides false information under this section or otherwise willfully fails to comply with its requirements shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

§ 82.8 Prohibition against kickbacks and unearned fees.

Section 8 of the RESPA of 1974 provides:

Section 8. (a) No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person.

(b) No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.

(c) Nothing in this section shall be construed as prohibiting (1) the payment of a fee (A) to attorneys at law for services actually rendered or (B) by a title company to its duly appointed agent for services actually performed in the issuance of a policy of title insurance or (C) by a lender to its duly appointed agent for services actually performed in the making of a loan, or (2) the payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed.

(d) (1) Any person or persons who violate the provisions of this section shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

(2) In addition to the penalties provided by paragraph (1) of this subsection, any person or persons who violate the provisions of subsection (a) shall be jointly and severally liable to the person or persons whose business has been referred in an amount equal to three times the value or amount of the fee or thing of value, and any person or persons who violate the provisions of subsection (b) shall be jointly and severally liable to the person or persons charged for the settlement services involved in an amount equal to three times the amount of the portion, split, or percentage. In any successful action to enforce the liability under this paragraph, the court may award the court costs of the action together with a reasonable attorney's fee as determined by the court.

§ 82.9 Title companies.

Section 9 of the RESPA of 1974 provides:

Section 9. (a) No seller of property that will be purchased with the assistance of a federally related mortgage loan shall require directly or indirectly, as a condition to selling the property, that title insurance covering the property be purchased by the buyer from any particular title company.

(b) Any seller who violates the provisions of subsection (a) shall be liable to the buyer in an amount equal to three times all charges made for such title insurance.

§ 82.10 Fee for preparation of Truth-in-Lending and Uniform Settlement Statements.

Section 12 of the RESPA of 1974 provides:

Section 12. No fee shall be imposed or charge made upon any other person (as a part of settlement costs or otherwise) by a lender in connection with a federally related mortgage loan made by it (or a loan for the purchase of a mobile home), for or on account of the preparation and submission by such lender of the statement or statements required (in connection with such loan) by sections 4 and 6 of this Act or by the Truth in Lending Act.

Issued at Washington, D.C., February 11, 1975.

DAVID M. DEWILDE,
Acting Assistant Secretary for Housing Production and Mortgage Credit, FHA Commissioner.

January 1975 — Form Approved OMB Number

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

UNIFORM DISCLOSURE/SETTLEMENT AND TRUTH IN LENDING STATEMENT

NOTE: This Statement must be accompanied by Truth in Lending Statement prescribed by the Federal Reserve Board.

A. TYPE OF LOAN

1. ☐ FHA 3. ☐ FmHA 5. ☐ Conv. Unins.
2. ☐ VA 4. ☐ Conv. Ins.

6. Purpose of Loan: _____
7. Loan Number: _____
8. File Number: _____
9. FHA/VA/PMI Case No.: _____
10. Loan Commitment Date: _____
11. Contract Sales Price of Property..... | |

B. NAMES AND ADDRESSES:

1. Seller	2. Buyer/Borrower	3. Lender
4. Property	5. Settlement Agent, Place and Date of	6. Beneficial Owner

DRAFT

NOTE: This form when furnished prior to settlement provides the Advance Disclosure of Settlement Costs and Truth in Lending Statement required by law. When prepared at settlement, this form constitutes the Standard Statement of Settlement Costs prescribed by law. Charges itemized on this form at the time of advance disclosure may include good faith estimates. The lender does not warrant that an estimated charge will be identical to the final charge at settlement.

	BUYER/BORROWER	SELLER	DISBURSEMENTS
I. SALES/BROKER'S COMMISSION:			
101. Based on Contract Sales Price of $ _____ at ___ % =			
102. Disbursed to: _____			
102. _____			
103. _____			
104. TOTAL — SECTION I.....			
II. ITEMS PAYABLE IN CONNECTION WITH LOAN OR CREDIT:			
201. Loan Origination Fee			
202. Loan Discount Points			
203. Appraisal Fee			
204. Credit Report			
205. Amortization (Loan Repayment) Schedule			
206. Photographs			
207. Survey: pay to : _____			
208. Property Inspections			
209. _____			
210. _____			
211. Mortgage Insurance Application Fee			
212. Total Disbursed to Lender			
213. TOTAL — SECTION II.....			

III. PREPAID ITEMS IN CONNECTION WITH LOAN OR CREDIT:

301. Prepaid Interest from _____ to _____
302. Mortgage Insurance Premiums for _____ years
303. Hazard Insurance Premium for _____ years

ESCROW RESERVE FOR:

304. Hazard Insurance
305. Mortgage Insurance
306. Real Estate Taxes
307. Unpaid Assessments
308. Flood Insurance
309. _____
310. TOTAL — SECTION III

IV. PRIVATE TITLE TRANSFER CHARGES:

401. Settlement or Closing Fee, pay to: _____
402. Abstract or Title Search, pay to: _____
403. Title Examination, pay to: _____
404. Preliminary Ttile Binder(s), pay to: _____
405. Title Insurance, pay to: _____
(includes items: _____)
406. Lender's Coverage
407. Owner's Coverage
408. Endorsements, pay to: _____
409. Document Preparation, pay to: _____
410. _____
411. _____
412. Attorney's Fees, pay to: _____
(includes items: _____)
413. _____
414. Notary Fees, pay to: _____
415. _____
416. TOTAL — SECTION IV

	BUYER/BORROWER	SELLER	DISBURSEMENTS

V. GOVERNMENT TRANSFER CHARGES:

501. Recording Fees: Deed $ _____ ; Mortgages $ _____ ; Releases $ _____
502. City/County Tax/Stamps
503. State Tax/Stamps
504. _____
505. TOTAL — SECTION V

VI. ADDITIONAL CHARGES AND CREDITS:

Prior First Mortgage to: _____
601. Principal
602. Interest to Date
603. Prepayment Charge
604. Escrows for Insurance, Taxes
605. _____
606. Total of Prior First Mortgage

Prior Second Mortgage to: _____
607. Principal
608. Interest to Date
609. Prepayment Charge
610. Escrows for Insurance, Taxes
611. _____
612. Total of Prior Second Mortgage
613. Fee for Refinancing or Assuming Existing Mortgage
614. Other Charges _____
615. _____
616. Inspection(s) _____
617. _____
618. TOTAL — SECTION VI

VII. TOTAL SETTLEMENT CHARGES:

701. Total Charges from Sections I, II, III, IV, V, and VI
702. Less Items (no., _____) settled outside closing
703. _____
704. _____
705. TOTAL — SECTION VII

DRAFT

VIII. FUNDS REQUIRED FROM BUYER/BORROWER:		
801. Contract Sales Price		
802. Total Charges (from Line 705)		
Adjustments Charged to Buyer/Borrower:		
803. Proration of Taxes		
804. Unpaid Special Assessments		
805. Utilities		
806. Rent		
807. Fuel		
808. _____		
809. Total Sales Price Adjustments		
810. Total Charges to Buyer/Borrower		
Less:		
811. Earnest Money		
812. Mortgage Loan Proceeds		
813. Adjustments Paid by Seller		
814. _____		
815. Total Buyer's Credits		
816. AMOUNT DUE FROM BUYER/BORROWER		

IX. DISBURSEMENTS TO SELLER:		
901. Contract Sales Price		
902. Adjustments (from Line 809)		
903. Gross Amount Due Seller		
Less:		
904. Total Charges (from Line 705)		
905. Earnest Money (from Line 811)		
906. Adjustments Paid by Seller		
907. _____		
908. _____		
909. Total Charges to Seller		
910. AMOUNT DUE TO SELLER		

NOTES: (1) If disclosure of settlement costs was not provided at the time of commitment or at least twelve (12) calendar days prior to settlement, a waiver of the requirement for advance disclosure must be executed in accordance with HUD Regulations by the borrower or seller, as the case may be, and attached hereto.

INSTRUCTIONS FOR COMPLETING UNIFORM DISCLOSURE/SETTLEMENT STATEMENT

The following are procedures and instructions for completing the Uniform Disclosure/Settlement and Truth in Lending Statement prescribed by the Real Estate Settlement Procedures Act of 1974. The lender is required to make in advance of settlement an itemized disclosure on this form of each charge arising in connection with settlement. It is recognized in the Real Estate Settlement Procedures Act of 1974 that the precise amount of every individual charge to be assessed at settlement will not in all cases be known at the time of advance disclosure. The Act provides: "In the event the exact amount of any such charge is not available, a good faith estimate of such charge may be provided."

It is the responsibility of the settlement or closing agent ("Closer") to complete the Settlement Statement and to submit copies to parties at the settlement showing all charges actually incurred. The body of the form is to be used for entry of charges, credits, and disbursements. The Uniform Disclosure/Settlement Statement will set forth each settlement service as a charge to the Buyer or to the Seller (or a split between the two) in accordance with the agreement between the parties. In the case of certain settlement items, FHA or VA Regulations forbid charges to a Buyer using FHA or VA financing, and such charges therefore become the Seller's obligation.

Since this form is used nationwide, it is important that all Closers follow the standard procedures.

The Act requires that this form be used in the following transactions: property sale financed by origination of a first mortgage, refinancing of existing mortgage indebtedness, origination of a junior mortgage to help finance a property sale, the giving of a purchase money mortgage by a federally related lending institution, and any borrowing secured by the borrower's principal residence.

SECTIONS A AND B

Section A: Type of Loan. Check appropriate loan type and complete items 6, 7, 8, 9, 10, and 11 as applicable. In item 6, state the purpose of the loan, i.e., home sale, refinancing, junior mortgage, etc.

Section B: Names and Addresses. In completing each box, provide as a part of the address the city, postal abbreviation of State, and zip code. Fill in item 6, Beneficial Owner, only in the event that title will be held in trust for a person other than the Buyer/Borrower.

SECTIONS I THROUGH VII

General. There are four columns across the page, from left to right:

The explanation of the item.

The Buyer/Borrower's Column. In this column enter all charges (amounts the Buyer/Borrower is expected to pay at settlement).

The Seller's Column. In this column enter all charges (amounts the Seller is expected to pay at settlement).

The Disbursements Column. In this column the Closer will enter actual disbursements on the line corresponding to each settlement charge requiring disbursement by the Closer. *This column is filled out only at closing and remains blank at the time of advance disclosure of settlement costs.*

Section I: Sales/Broker's Commission. The items included in this section are

assessed by the Real Estate Salesperson(s) or Broker(s) who sold the property.

Line 101: Enter contract sales price from Section A, line 11 and the percent of sales commission. Enter dollar amount of commission in Seller's column and the name of the person to whom the commission is to be paid on the line following "disbursed to".

Lines 102 and 103: Blank lines on which may be entered other items included in the transaction such as amount of commission already received by salesperson.

Line 104: Enter totals for transactions in Section I.

Section II: Items Payable in Connection with Loan or Credit. The items in this section are charges assessed by the Lender or the Lender's investors for processing the loan.

Line 201: Enter the amount the Lender charges the Buyer for origination of the loan.

Line 202: Enter the amount the Lender charges for extending the loan to the Buyer. The loan discount is frequently called "points".

Line 203: Enter the charge assessed by the Lender for an appraisal to determine the value of the property.

Line 204: Enter the charge assessed by a credit reporting agency to ascertain the status of the Borrower's credit.

Line 205: Enter the charge, if applicable, for a table showing the principle and interest payments monthly for the life of the loan.

Line 206: Enter the charge for photographs of the property required by the Lender or the Lender's investors.

Line 207: Enter the charge for a survey or plat of the property. Enter the name of the Surveyor to be paid on the line after "pay to".

Lines 208–210: Enter charges for inspections required by the Lender to ascertain the status of certain fixtures or the building on the property (e.g. termite inspection, heating plant inspection, plumbing or electrical fixtures inspection). Lines 208 to 210 may also be used for additional items payable in connection with the loan or credit not specified above.

Line 211: Enter the amount of FHA application and commitment fee or PMI fees as applicable.

Line 212: Total all charges to be disbursed to the Lender and enter in the Disbursements Column.

Line 213: Enter the totals for items in Section II.

Section III: Prepaid Items in Connection with Loan or Credit. The items in this section are those which are required by the lender to be prepaid (escrowed or impounded).

Line 301: In the case of conventional loans enter the interest to be paid by the Buyer on the loan amount from the date of the closing to the date of the first payment (to the end of the month for FHA or VA loans).

Line 302: Enter the prepaid premium for insurance the Buyer purchases to insure the Lender against loss because of nonpayment of the loan.

Line 303: Enter the prepaid premium for insurance that the Buyer purchases from a private company insuring against fire, and possible additional hazards or risks such as personal liability, theft, flood, etc.

Lines 304–308: Enter the amounts reserved to cover the cost of insurance, taxes, and unpaid assessments from the date of the Closing until the date of the next insurance or tax payment is due.

Line 309: This blank line may be used for other reserves not specified on lines 304 to 308.

Line 310: Enter totals for Section III.

Section IV: Private Title Transfer Charges: The charges in this section relate to title insurance, settlement, closing or escrow fees, and attorneys' fees. NOTE.—Lines 405 and 412 may, according to the legal and administrative practices and requirements in different areas of the country, include any of the other items in the section.

Line 401: Enter the charge to be paid for the services of the Closer, indicating the name of the person or company to whom the fee should be paid on the line after "pay to".

Line 402: Enter the charge to be paid to a private company or attorney for making a search of the public records. Indicate the name of the person or company to whom the fee should be paid, if applicable on the line after "pay to".

Line 403: Enter the charge to be paid for a private company or attorney for examining the abstract or title search and giving a written opinion of the status of the title. Indicate the name of the person or company to whom the fee should be paid on the line after "pay to".

Line 404: Enter the charge for the preliminary commitment to insure title issued by a private company based on its search and examination of the public records. Indicate the name of the person or company to whom the fee is to be paid on the line after "pay to".

Line 405: Enter the premium to be paid to a private company, to insure against any defects in the title to the property. Indicate the name of the company to whom the fee is to be paid on the line after "pay to". *If this line includes other items in this section as described above in "NOTE", indicate these items by line number.*

Line 406: Enter the amount of the charge for a Lender's Title Insurance policy, if applicable.

Line 407: Enter the amount of any charge for an Owner's Title Insurance policy, if applicable. Purchase of such coverage is at the Buyer/Borrower's option.

Line 408: Enter the charge for endorsements which may be added to a Title Insurance policy to give additional coverage specifically requested by the Owner or the Lender. Enter the name of the company to whom the fee for the endorsement(s) should be paid on the line after "pay to".

Line 409: Enter the charge to be paid for drafting any documents necessary for the settlement, such as Deeds of Conveyance, Trust Deeds, Mortgages, etc. Type the name of the person or company to whom the fee should be paid. No charge may be made for preparation of the Uniform Settlement Statement, the Advance Disclosure Statement, or any statement required by the Truth in Lending Act.

Lines 410, 411, and 415: These blank lines may be used to specify additional title transfer charges not shown in this section.

Line 412: Enter the fee charged by an attorney or attorneys for services in connection with the transaction or on behalf of the Borrower or Seller. Type the name of the attorney to whom the fee is to be paid on the line after "pay to". *If this line includes other items in this section as described above in "NOTE", indicate these items by the line numbers.*

Line 414: Enter any fees charged for notarizing documents and type the party to whom the fee is paid on the line after "pay to".

Line 416: Enter totals for Section IV.

Section V: Government Transfer Charges. The charges in this section include the various fees assessed by cities, counties or states for transferring title of property, and for recording documents relating to the transfer.

Line 501: Enter the fees paid to a governmental body for placing a document in the public record.

Line 502: Enter the fee to be paid to a city or county as a tax, or for revenue stamps which must be affixed to a document, for placing the documents related to the transfer in the public record.

Line 503: Enter the fee to be paid to a State as a tax, or for revenue stamps which must be affixed to a document, for placing documents related to the transfer in the public record.

Line 504: This line may be used to specify additional governmental transfer charges now shown in this section.

Line 505: Enter totals for Section V.

Section VI: Additional charges: The charges in this section include any items not covered in prior sections, such as the payment and release of the prior mortgage(s), the refinancing or assumption of an existing mortgage by the Borrower, and inspections which may be required by the sales contract, but not by the Lender.

Lines Unnumbered: Enter the name(s) of the Lender(s) who made the loan(s), if any, to be paid and released in the space(s) after "prior First (Second) mortgage to."

Line 601: Enter the amount of principal remaining to be paid on the loan in the Explanation Column.

Line 602: Enter the amount of interest to be paid from the date of the last payment to the date of the Closing.

Line 603: Enter the amount any charge for early payment of the loan.

Line 604: Enter the amount the Seller has in prepaid reserves for the payment of taxes or insurance, or the deficit in these reserves if one exists in the Explanation Column.

Line 605: This blank line may be used to specify other fees required in the release of the mortgage.

Line 606: Make the calculations for Lines 601 to 605 and enter the total to be paid the prior Lender in the Explanation Column.

Lines 607–612: These lines should be completed if a second loan is to be paid and released. Follow the same procedures as for Lines 601 to 606 above.

Line 613: Enter any fee charged by the Lender to the Borrower for refinancing or assuming an existing mortgage, or for taking out any second mortgage or other loan to be secured by the real property. Refinancing may also involve charges for points (line 202), updating of title insurance (line 405), and government transfer fees (Section V).

Lines 614 and 615: These lines may be used to specify additional charges or credits.

Lines 616 and 617: Enter the charge for inspections other than those required by the Lender and included in Lines 208 through 210 of Section II. Enter the type of inspection on the lines provided.

Line 618: Enter totals for Section VI.

Section VII: Total Settlement Charges and Credits. In this section are shown charges for the transfer, including those settled outside of the settlement.

Line 701: Enter the total charges from Sections I, II, III, IV, V and VI (total for Lines 104, 213, 310, 416, 505, and 618).

Lines 702–704: Enter any items which were or are to be settled outside settlement. *Exclude any items relating to contract sales price adjustments which may be made outside of settlement.* These appear in Sections VIII and IX only.

Line 705: Enter totals for Section VII by subtracting Lines 702, 703 and 704 from Line 701.

Section VIII: Funds Required From Buyer/Borrower. This section summarizes the Buyer/Borrower's transaction and shows the amount of funds required from the Buyer/Borrower to complete the settlement.

Line 801: Enter the Contract Sales Price of the property from Section A, Line 11; or in the case of a loan not involving a sale, enter the new amount of loan principal owed by the Borrower.

Line 802: Enter total settlement charges from Line 705 of the Buyer/Borrower column.

Lines 803–808: In these spaces enter all contract sales price adjustments which the Buyer agrees to pay.

Line 809: Enter the total of Lines 803–808.

Line 810: Enter the total of Lines 801, 802, and 809.

Line 811: Enter any earnest money deposit made by the Buyer.

Line 812: Enter the new mortgage proceeds; or in the case of a loan not involving a sale, enter the loan proceeds made available to the Borrower.

Lines 813–814: Enter any contract sales price adjustments which the Seller agrees to pay.

Line 815: Enter the total of Lines 811–814.

Line 816: Subtract Line 815 from Line 810 to arrive at the Buyer/Borrower's final cash obligation at settlement.

Section IX: Disbursements To Seller: This section summarizes the Seller's transaction and shows the amount owed to the Seller at settlement. It is filled out only if the loan finances sale of a 1- to 4-family residence.

Line 901: Enter the Contract Sales Price of the property from Section A, Line 11.

Line 902: Enter the contract sales price adjustments paid by the Buyer (from Line 809).

Line 903: Enter the total of Lines 901 and 902.

Line 904: Enter total settlement charges from Line 705 of the Seller column.

Line 905: Enter the Buyer's earnest money deposit (from Line 811).

Lines 906–908: Enter any contract sales price adjustments which the Seller agrees to pay.

Line 909: Enter the total of Lines 904–908.

Line 910: Subtract Line 909 from Line 903 to arrive at the final amount owed to the Seller at settlement.

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